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# WHERE CHINA IS HEADED

## *Interview With George Bush, Former Chief, U.S. Liaison Office in Peking*

**Is dangerous turmoil building up—with a swing back to Russia? George Bush returned to China to try to discover where the post-Mao leaders are taking the country, found some answers.**

**Q. Mr. Bush, who is running China now? Is the new team of leaders solidly in power? Do they have things under control?**

**A** It's extremely difficult to be positive when one answers a question like this. But I get the feeling from talking to various Chinese hosts and some leaders that the country is more unified in terms of leadership than it was—that the elimination of the "Gang of Four" [Mao Tse-tung's widow and cohorts, now imprisoned] has brought the country's leadership together.

I felt a great strength and confidence exuded by Teng Hsiao-ping, the Vice Premier. I think that Hua Kuo-feng [Mao's successor as party chief] is clearly in command and in control. So the impressions that one gets from a visit—and again, I caution that it's very difficult to draw firm conclusions—is that the country is more unified and is moving forward without the disadvantage of the divisions that occurred when the "Gang of Four" was fomenting disturbance and turmoil.

**Q. Is the new leadership running into serious resistance around the country from the followers of the "Gang of Four," as recent press reports suggest?**

**A** I saw no evidence of that, and I know of no evidence of it. But, on the other hand, I don't have access to all the information, either.

**Q. Where does the Army now stand in all this? Do they have the real power in China?**

**A** They've been powerful and I think they still are powerful. Anybody would have to have the support of the military to govern. I believe that's true today.

**Q. What's your impression of the economic situation? Is China in trouble?**

**A** I have the feeling that things are moving forward a little bit. China still says: "We are a poor country. We are a backward country. We're a developing country." They've set a very ambitious goal for development.

The leadership is definitely interested in raising the standard of living of people. They have done a good job on the basics, providing a modest but rather all-pervasive standard for the masses. In fairness, one has to give them credit for the job they've done, considering their enormous population problems and resource problems. They recognize, however, that they have a long way to go. If they develop their resources more rapidly than they're now geared up to, they can reach their goal of self-reliance in the not-too-distant future.

**Q. Over all, what were your principal impressions as you made this return trip to China? What changes did you see since you served in Peking as head of the U.S. mission?**

**A** The people seem more relaxed—a little more open and less guarded in their conversations about matters in China. For example, at each place we went, I didn't even have to ask about the "Gang of Four"; they'd volunteer detailed information on the bad effects that the "Gang of Four" had on production in factories or on education or on the arts.

In the South, where I had not traveled extensively before, there was a little more color, a little more laughter, a little more openness. But to sum it up, I felt there was more relaxation and more willingness to discuss things.

**Q. In your discussions with China's new leaders, did you find any change in attitude toward the United States?**

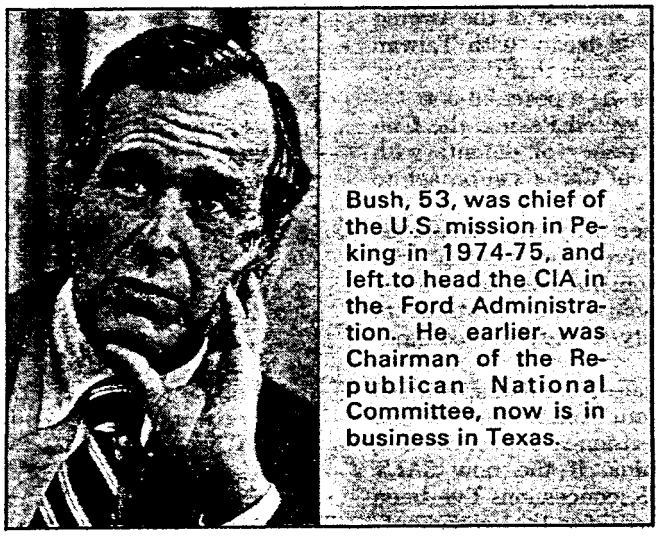
**A** Not fundamentally. But there's a more-relaxed attitude toward trade with the West. And I sensed a strong desire to see improved relations with the United States. I saw signs of nothing that should be worrisome to us.

**Q. How do leaders in Peking feel about the Carter Administration's handling of relations with China?**

**A** Vice Premier Teng Hsiao-ping made it clear that there is no roadblock between China and the Carter Administration. Indeed, he emphasized that they had no hard feelings over the difference that cropped up over the question of "flexibility" following the visit of Secretary of State Vance.

**Q. What is this flexibility question?**

**A** When Cy Vance returned to Washington from Peking, a report cropped up that he had found flexibility in China's position on normalization. I am confident that he had not said that. But the report caused concern in China. Teng Hsiao-ping, in unprecedented fashion, told the press that there had been no progress in the meeting with Vance and that, indeed, there was no flexibility on China's part regarding its terms for normalization of relations with the U.S.



Bush, 53, was chief of the U.S. mission in Peking in 1974-75, and left to head the CIA in the Ford Administration. He earlier was Chairman of the Republican National Committee, now is in business in Texas.

Having said that, I don't think that there is any intention to hold this incident against President Carter or Secretary Vance. In short, I think the Chinese want to see continually improving relations with this Administration and with this country.

**Q. Are the Chinese becoming tougher on the question of U.S. relations with Taiwan?**

**A** No. I think they have a consistent stand on Taiwan. They insist now—as they have

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With Vice Premier Teng. "The Chinese want continually improving relations with this Administration and with this country."

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all along—that normalization of relations with the U.S. depends on three terms with respect to Taiwan: derecognition of the Government there, removal of American troops, and abrogation of the defense treaty. But they are probably in no hurry. I accept them at their word when Chinese leaders still say the United States has time—if the United States needs time—to solve the Taiwan problem.

**Q. Why are they unwilling to accept a compromise on that issue? Why, for example, shouldn't Peking promise not to use force to settle the Taiwan problem?**

**A** They feel that Taiwan is a fundamental part of China—a Province of China—and that it is their business as to what eventual solution to the problem takes place. It's nobody else's business.

My own personal view is that what is needed is a peaceful solution to this problem. But the Chinese insist that this is strictly up to them to decide.

**Q. Does it matter whether the U.S. moves quickly or slowly on normalization of relations with China?**

**A** My own view is that it's in our national interest to have normalized relations with China as soon as possible. Our systems are enormously different—and every time I go back there, I come back respectful in many ways for the job they've done, but grateful for the freedoms we have in this country. I also come back impressed that we have many things in common with China, not the least of which is our strategic interests vis-à-vis the Soviet Union. So I think we should do whatever we can through quiet diplomacy to seek improved relations with China. China should never be slighted in our foreign policy.

However, I don't think it is in the interest of the United States to abrogate our mutual-defense treaty with Taiwan without plenty of assurances and safeguards that the eventual solution to the Taiwan problem will be a peaceful one.

**Q. In 1975, when President Ford visited Peking, the Chinese were very unhappy with our policy of détente with Russia. Are they happier with President Carter's approach to the Soviet Union?**

**A** I don't think so. I wouldn't see why they would be happier, frankly. They think we're naïve in our dealings with the Soviets. They think that we demonstrate weakness. They think we ought to keep commitments. They continue to refer to our unwillingness or inability to keep our commitments in Angola, for example.

I think anything that the United States does that appears to weaken our support for NATO or our commitment to our own strategic arsenal, such as the decision to cancel the B-1, will cause a great concern in China. If the new SALT agreement contains some of the U.S. concessions I've been reading about, China will darn sure criticize the agreement.

**Q. Did you see any signs that the new Peking leadership is moving to improve relations with Russia—perhaps because of disappointment with U.S. policy?**

**A** I saw no such sign. What I heard was a reiteration of the views that were strongly expressed when I was in Peking for 14 months—namely, concern about the Soviet Union.

My own feeling is that a reconciliation between China and Russia would be detrimental to the interests of the United States. I am very much concerned today about Soviet intentions in the world, about the Soviet threat and about what the Russians are doing politically in Africa and other places. So it clearly would not be in the interest of the United States for China and the Soviet Union to get back together. But I saw no evidence in Peking that they would get back together.

**Q. You mentioned Chinese concerns about the Soviet Union. What are they?**

**A** Simply that the Soviets can't be trusted, that they are determined to strengthen their military machine, that they are not, indeed, seeking peace—that they are seeking hegemony.

**Q. In light of Chinese worries about the Soviet military threat, did they express any interest in obtaining weapons from the United States?**

**A** There was no discussion of that, and therefore I saw no signs of it. That doesn't mean there are or there aren't. It's just that that matter was not ever discussed by me with anybody there.

**Q. What about trade? Are they moving to expand their trade with the United States?**

**A** In my talks with Li Ch'iang, the Minister of Foreign Trade, whom I had known when I was stationed in Peking, I got the feeling that there was certainly a willingness on the part of China to do more with the United States. Our trade has slipped from a two-way exchange of 950 million dollars in 1974 to around 350 million in 1976. My prediction is that trade will go up.

They do make elliptical allusions to what they feel is discrimination by the U.S. in withholding most-favored-nation consideration from them. But in spite of that, I do think that we have an opportunity to do more business with China now that the political turmoil seems to have been settled there.

**Q. Are they looking for credits or technical help from the West to develop their own industry?**

**A** I think technical help in a sense, probably more in terms of technologically advanced equipment—for example, in the oil field—as opposed to advice by individuals. I don't think credits are in order because the Chinese subscribe to the view that they would not create debt. They have utilized some extended payments from time to time, but I wouldn't look for China to appeal to the United States for long-term credit.

**Q. Is there a possibility that the U.S. could develop a major new source of oil in China?**

**A** My own view is that China has extensive undeveloped reserves. I'm convinced of it. China would do well to consider much more close co-operation with the United States in the exploration and development of these reserves. In my view, it's important from a strategic standpoint.

We already are selling oil-field technology to China, and I look for a step-up in this kind of sale. But I'm not sure that the Chinese feel that, at this stage of our relations, they can enter into the kind of deal that I visualize—one that would be good for both the United States, in view of the uncertainties of the international oil market, and good for China.

**Q. What kind of deal do you have in mind?**

**A** I think the Chinese should consider a deal where they clearly own the oil but where they pay the U.S. in oil for turnkey total development of certain fields.